(iv) Lakwa Waste Heat Unit (Gas Based: 38 MW) has been planned in the Tenth Plan.

(v) Following projects have been identified for Renovation and Modernization (R&M) Residual Life Assessment (RLA/Life Extension (LE) during the Tenth Plan period;

— Bongaigaon Thermal Power Station (4x60 MW) - R&M/LE

— NamrupThermal Power Stations Unit 1&2 (23 MW each) - LE

— LakwaThermalPowerStationUnit-2(15MW) - RLA/LE

— Kopili Hydro Electric Project Stage-1 (2x50 MW) - R&M

(c) The power supply position in the State of Assam has improved since November, 2002 and there was no energy shortage in the State from November, 2002 to February, 2003.

Foreign power companies in power sector

2270. SHRI RAVULA CHANDRA SEKAR REDDY:
DR.T. SUBBARAMI REDDY:

Will the Minister of POWER be pleased to state:

(a) whether the US has conveyed that its power companies were finding it difficult to fulfil their contracts in India in power projects;

(b) if so, the steps being taken to overcome these problems for smooth functioning of the US power companies;

(c) whether Nepal has also agreed to supply power to India to meet the shortage;

(d) if so, the total foreign companies at present working in the power projects; and

(e) the facilities being provided to them for completion of these projects?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) During the visit by the Minister of Power to the US in the first half of October, 2002, the US

Assistant Secretary of Energy, Ms. Vicky Bailey, in her address at an symposium, stated that there was an erosion of confidence within the US Power Business Community about the Power Sector in India on account of certain contratual and payment problems being faced by the existing Independent Power Producers (IPPs) with US investments. She observed that it would be extremely difficult for American investors to invest in India unless structural issued in the Indian Power Sector were addressed.

The main issue relates to the Dobhol Power Project which is an IPP set up in Maharashtra on the basis of a Power Purchase agreement (PPA) entered into between Dabhol Power Company (DPC) and the Maharashtra State Electricity Board (MSEB). Phase-I of the Dabhol Plant (740 MW) has been shut down after MSEB stopped taking power from 29th May, 2001 following disputes with DPC. Both DPC and MSEB have initiated legal proceedings against each other over different provisions of the PPA and the matter is *in* various stages before Courts, Arbitrators and Maharashtra Electricity Regulatory Commission (MERC). The disputes are to be resolved primarily by these two parties to the contract as well as the Government of Maharashtra, who have guaranteed the payment obligations of MSEB to DPC under the PPA, subject to final orders on the various legal proceedings, Government of India has agreed to facilitate any amicable solution to the various issues so as to revive/restructure the Dabhol Power Project.

Representatives of four US companies *viz.* PSEG India, CMS India, Covanta Asia-Pacific and El Pasco India, during a recent meeting with Secretary (Power) discussed their problems with the Tamil Nadu Electricity Board relatiny to arrears, payment of invoices and establishing of security mechanisms as envisaged in the PPAs. The problems faced by the power projects in Tamil Nadu have been discussed with the State Government, who are taking appropriate measures to resolve the issues.

(c) Nepal is expected to be surplus by about 100-150 MW with the full commissioning of it's Kaligandki Hydro Project. Power Trading Corporation (PTC), the designated nodal agency for trading power between India and Nepal, has approached the States of Northern Region in India for sale of 35-40 MW power from Nepal with the existing transmission arrangements. PTC has also signed an agreement with Power Grid

Corporation of India Ltd. (PGCIL) for setting up of the 132 KVDC Anandnagar-Butwal transmission line to enhance exchange of power with Nepal.

The developers of the West Seti Hydroelectric Power Project (750 MW), located in Nepal, with whom MoU has been signed, have also approached PTC for sale of power.

(d) and (e) As per information available, the West Seti Hydroelectric Power Project in Nepal is being promoted by M/s Snowy Mountains Electric Company (SMEC), an Australian Company. For the projects being implemented in Nepal, any facilities for their completion will have to be provided by the concerned authorities in that country.

Hydel power potential

2271. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of POWER be pleased to state:

(a) whether in view of shortage of power, the Government proposed to explore more hydel power potential;

(b) if so, the plans therefor; and

(c) other steps proposed on renovation and modernisation of generating stations?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) A capacity addition of 14,393 MW from Hydro projects is to be achieved during the Tenth Plan. In order to accelerate the pace of hydro power development in the country, a basin wise "Ranking Study" of all the balance hydro-electric potential which is yet to be exploited has been carried out by the Central Electricity Authority and discussions with the State Governments have been initiated to finalise an Action Plan for their subsequent development.

(c) 72 schemes in various States and in the central sector with a total installed capacity of 808.05 MW have been identified for renovation and modernisation during the Tenth Plan. Power benefit of 323.8 MW from 8 schemes has already been achieved during the Tenth Plan: